Message Text

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ORIGIN EB-08

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 SIG-02 COME-00 AGRE-00 IO-13 MMO-04 /077 R

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O R 092052Z MAR 77

FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

AMEMBASSY ASUNCION

AMEMBASSY BANGUI

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUJUMBURA

AMEMBASSY CARACAS

AMEMBASSY CONAKRY

AMEMBASSY COTONOU

AMEMBASSY DAR ES SALAAM

AMEMBASSY FREETOWN

AMEMBASSY GUATEMALA

AMEMBASSY JAKARTA

AMEMBASSY KIGALI

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

AMEMBASSY LA PAZ

AMEMBASSY LIBREVILLE

AMEMBASSY LIMA

AMEMBASSY LOME

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY MONROVIA

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AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY PANAMA

AMEMBASSY PORT AU PRINCE

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMCONSUL RIO DE JANEIRO

AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTO DOMINGO
AMCONSUL SAO PAULO
AMEMBASSY TANANARIVE
AMEMBASSY TEGUCIGALPA
AMEMBASSY YAOUNDE
USMISSION OECD PARIS
USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: COFFEE

1. FOLLOWING IS THE TEXT OF A QUESTION ON COFFEE PRICES WHICH PRESIDENT CARTER RECEIVED DURING HIS MARCH 5 TELEPHONE QUESTION AND ANSWER SESSION AND THE PRESIDENT'S RESPONSE.

BEGIN TEXT: QUESTION - I HAVE A QUESTION HERE. THIS RELATES WITH THIS RECENT COFFEE SITUATION. MY QUESTION IS: CAN WE SEE ANYPROSPECT OF LOWER IMPORTED COMMODITIES ON SUCH AS COFFEE, AND IF SO, HOW CAN WE GO ABOUT IT?

ANSWER - I DON'T KNOW HOW TO ANSWER YOUR QUESTION ABOUT THE UNCLASSIFIED

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FUTURE. AS YOU KNOW, THE BRAZILIANS AND OTHER COFFEE PRODUCING COUNTRIES CLAIM THAT THE DROUGHT--OR FREEZE, I THINK IT WAS--DESTROYED A NUMBER OF THE COFFEE TREES AND THAT'S THE REASON FOR THE HIGH PRICES. I THINK THERE ARE ADEQUATE RESERVES ON HAND NOW, BUT THE FUTURE CROPS OF COFFEE ARE LIKELY TO BE VERY SHORT AND THE PROSPECT OF SHORTAGES HAVE FORCED UP THE PRICE.

I DON'T KNOW HOW TO DEAL WITH THIS. THERE'S NO WAY FOR US TO CONTROL THE PRICE OF COFFEE THAT COMES IN FROM COLOMBIA, OR BRAZIL OR COSTA RICA TO OUR COUNTRY--TO OUR OWN NATION. I THINK THAT WE HAVE ONE OPPORTUNITY, AS CONSUMERS, AND THAT IS TO DRINK LESS COFFEE AS THE PRICE GOES UP. THIS IS ALMOST INEVITABLE IN A FREE-ENTERPRISE SYSTEM.

I'M HERE FOR TWO HOURS WITHOUT MOVING AND, JUST COINCIDENTALLY, I'M DRINKING HOT TEA NOW INSTEAD OF COFFEE. I DON'T WANT US TO PUT AN EMBARGO ON COFFEE USE, BUT I DON'T KNOW HOW TO ANSWER YOUR QUESTION ANY BETTER THAN

THAT. I DON'T KNOW WHAT THE FUTURE HOLDS. I DON'T THINK THAT WE CAN DO ANYTHING TO CONTROL THE PRICE OF COFFEE EXCEPT TO REDUCE CONSUMPTION. END TEXT. VANCE

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